

Bell Atlantic
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Susanne Guyer
Executive Director,
Federal Regulatory Affairs

EX PARTE OR LATE FILED



September 22, 1997

Ex Parte

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SEP 22 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

Re: CC Docket Nos. 91-213 and 96-262

Dear Mr. Caton:

On Friday, September 19, Mr. F. Gumper and I, representing Bell Atlantic, met with Mr. J. Nakahata, Chief of the Competition Division of the Office of the General Counsel. The purpose of the meeting was to discuss the Commission's decision in the above-captioned proceeding that prohibits the local exchange carriers (LECs) from assessing the residual transport interconnection charge on minutes-of-use that use a LEC's local switching services, but that do not use the LEC's local transport services. The attached charts were used during the discussion.

Sincerely,

A handwritten signature in cursive script that reads 'Susanne Guyer'.

Attachments

cc: Mr. J. Nakahata

ACCESS REFORM

TIC Recovery Issue

September 19, 1997

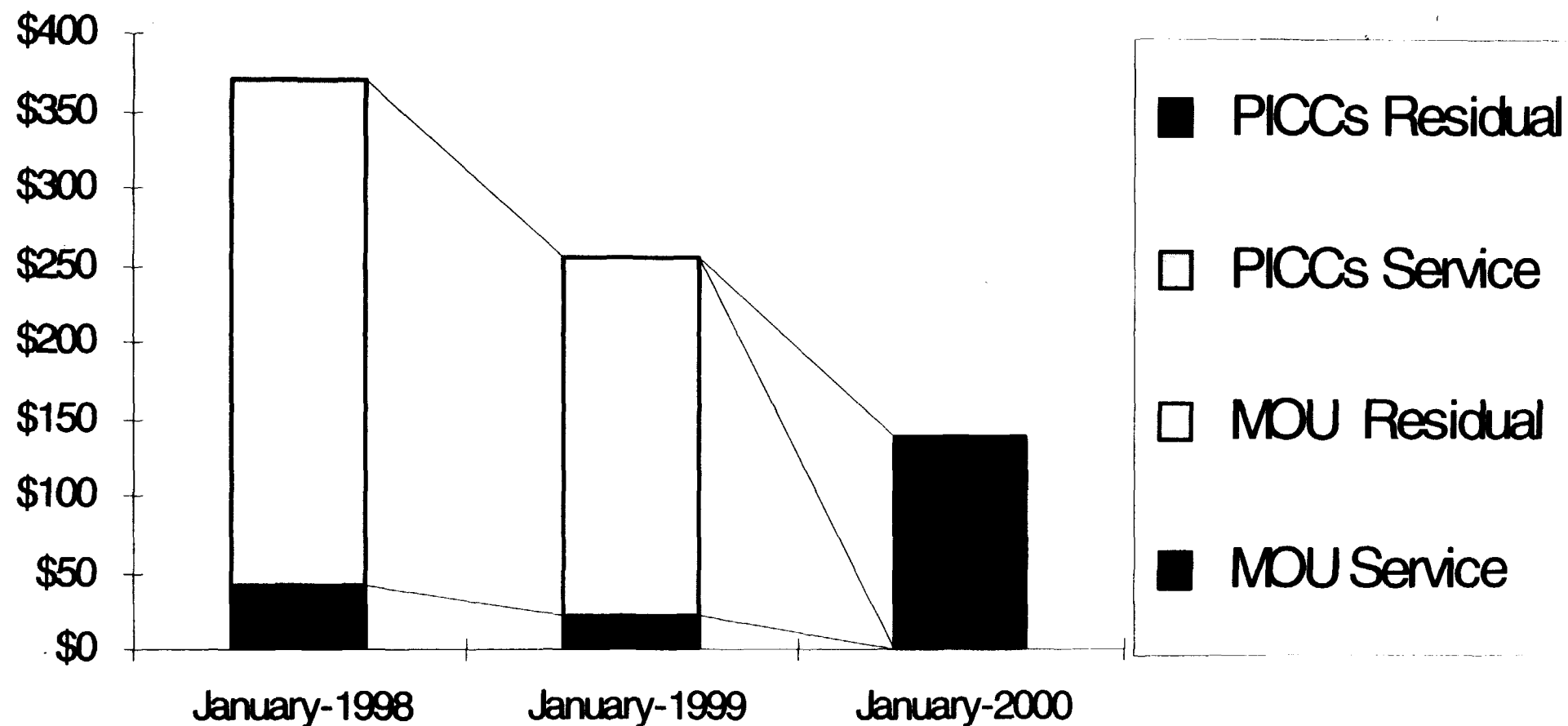
Access Reform - TIC Recovery Issue

- The FCC decision not to apply per minute TIC when alternative transport is provided -
 - » Does not allow LECs opportunity to recover non-transport costs in the TIC
 - » Disadvantages a LEC which has opened up its markets, and has more transport competition, because only that usage carried over competitive transport is at risk
 - » Most severely disadvantages Bell Atlantic North because of level of
 - Residual per minute TIC for Bell Atlantic North
 - Transport competition

Access Reform - TIC Recovery Issue

- The Commission recognizes that the residual TIC contains costs that are traffic sensitive or non-traffic sensitive that may be associated with common line, transport or switching services (par 232)
- In concluding that recovery of the Residual TIC from IXC's should be on a per line basis, the commission recognizes that "at least some amount of the residual TIC represents NTS costs..." (par 233)
- BUT
 - » Only Bell Atlantic North will ever recovery non-service related residual TIC costs on a per line basis
 - » And - after 7/1/98, only two LECs have non-service related residual TIC recovered in usage charges.

Bell Atlantic North's TIC Recovery



TIC Recovery Issue

Per M O U

	<u>January-1998</u>	<u>January-1999</u>	<u>January-2000</u>
<u>Industry</u>			
Service	\$255M	\$77M	\$0
Residual	\$520M	\$271M	\$0

Bell Atlantic North

Service	\$41M	\$21M	\$0
Residual	\$329M	\$236M	\$0

P I C C s

	<u>January-1998</u>	<u>January-1999</u>	<u>January-2000</u>
<u>Industry</u>			
Service	\$50M	\$55M	\$0M
Residual	\$0M	\$.7M	\$139M

Bell Atlantic North

Access Reform

Pricing Incentives in the Marketplace (\$000)

Zone 1

- Per DS3 Costs with Bell Atlantic North
 - » Facility \$ 44
 - » TIC/MOU \$ 145*
 - » Total \$ 189
- Per DS3 Costs with CAP
 - » Facility \$ 41**
 - » LEC Conn. \$ 2 (1 per DS1)
 - » Total \$ 43
- **Savings \$146**

Other Zones

- Per DS3 Costs with Bell Atlantic North
 - » Facility \$ 44
 - » TIC/MOU \$ 471*
 - » Total \$ 515
- Per DS3 Costs with CAP
 - » Facility \$ 41**
 - » LEC Conn. \$ 2 (1 per DS1)
 - » Total \$ 43
- **Savings \$ 472**

* Assumes 9,000 MOUs per trunk with a fully loaded DS3 of 672 trunks.

** Assumes a 10% discount off Bell Atlantic North's rates. In addition, in zone 1 offices in New York a \$400 NRC applies.